

VZCZCXRO7652  
RR RUEHAG RUEHDF RUEHIK RUEHLZ  
DE RUEHVI #0453/01 0460838  
ZNR UUUUU ZZH  
R 150838Z FEB 06  
FM AMEMBASSY VIENNA  
TO RUEHC/SECSTATE WASHDC 2369  
RUEHRC/USDA FAS WASHDC 1091  
INFO RUCPDOG/USDOC WASHDC  
RUEHGV/USMISSION GENEVA 1293  
RUEHBS/USEU BRUSSELS  
RUCNMEM/EU MEMBER STATES

UNCLAS SECTION 01 OF 02 VIENNA 000453

SIPDIS

SIPDIS

E.O. 12958: N/A

TAGS: [EAGR](#) [ETRD](#) [EUN](#) [TBIO](#) [AU](#)

SUBJECT: AUSTRIAN EU PRESIDENCY'S AGRICULTURE AGENDA

#### Summary

1. During a February 3 briefing to emboffs, Hans Kordik, the Austrian Ministry of Agriculture's (MoA) EU Coordinator, identified two political priorities and four thematic priorities for its EU Presidency. The GoA will resist any efforts to reform the CAP further, arguing the farming sector needs stability after years of "incessant reforms." Kordik claimed that, while agricultural spending represents 43% of total EU expenditures, CAP expenditures, as a percentage of EU and national budgets, are only 0.6%. Austria will also emphasize the need to improve rural competitiveness. Thematic priorities include implementing the 2005 sugar reform; promoting organic farming; pushing for more restrictive EU-wide guidelines on coexistence between GMOs and organic/traditional crops; and promoting biomass and biofuels as a means to reduce dependency on fossil fuels and to reduce greenhouse gas emissions. Kordik said Austria hopes for a successful Doha Round, but will insist on a "single undertaking," with progress on service and NAMA simultaneous with progress on agricultural issues. End summary

#### Ministry of Agriculture's Political Priorities

2. Hans Kordik, Head of the EU Coordination and Planning Division in the Austrian Ministry of Agriculture, Environment, Forestry and Water Management (MoA), recently provided Emboffs an outline of the MoA's priorities for the Austrian EU Presidency. Kordik pointed out that Agriculture Minister Josef Proell is emphasizing two broad political priorities: a halt to CAP reforms and increasing competitiveness in rural regions. In the MoA's view, the CAP has undergone continual reforms in recent years (Agenda 2000, 2003 Fischler Reform, 2004 Mediterranean Package, 2005 Rural Development, and the 2005 Sugar Reform). Proell, according to Kordik, wanted to deliver "reliability and security," to the farming sector, while avoiding the term "reform." By emphasizing the human factor - education and training - Austria hopes to increase competitiveness in rural regions and promote tourism. According to Kordik, it is necessary to support agricultural production in less traditional areas, such as mountainous regions, to maintain pastoral settings and avoid forest overgrowth.

#### Ministry of Agriculture's Thematic Priorities

3. For the Austrian Presidency, the MoA has identified four thematic priorities: implementation of the 2005 Sugar Reform; organic farming; GMOs; and promoting biomass and

biofuels as alternative energy sources.

¶4. Organic Farming: Kordik claimed that 10% of Austrian farming is organic, the highest percentage in the EU. The GoA is encouraging the Commission to table an Organic Farming Regulation by the end of its Presidency. This would simplify and harmonize production standards throughout the EU. Kordik added that the regulation would improve market access for organic food imports.

¶5. GMOs: Kordik stated that, within Austria, opposition to GMO agricultural products remains "non-controversial." A Commission report on "coexistence" is due by the end of February, and, according to Kordik, the GoA and Commission will use the report as the basis for an April 4-6 "Biotechnology Conference" in Vienna. (Note: the MoA is also sponsoring a conference April 18-19 on "The Role of Precaution in GMO Policy." End Note)

¶6. Kordik said the GoA is emphasizing "freedom of choice" for consumers and farmers. For the GoA, the issue of liability is crucial, because of the likelihood that biotech crops will contaminate organic and conventional fields. Austria would like the Commission to define EU-wide guidelines for "coexistence" to address cross-border pollen flow. Kordik admitted that the previous Agriculture Commissioner had been skeptical about the Austrian approach, but he claimed that Commissioner Fischer-Boel is more receptive.

¶7. Biomass/Biofuels: The GoA intends to promote the use of biomass and biofuels as a way to reduce EU dependency on imported fossil fuels and to reduce greenhouse gas emissions. Kordik pointed to an EU Communication that

VIENNA 00000453 002 OF 002

recommends increasing biofuel's proportion of total energy to 5.7% by 2012. Kordik added that biofuels would be an important topic at the March 14 Energy Council.

CAP: Stop the Reforms!  
-----

¶8. Kordik gave a spirited defense of the CAP. He said, "No other area (of EU policy) had gone through as many reforms as the CAP." Recurring criticism of excessive spending on the CAP is "too narrowly focused," he argued. Kordik noted that, while CAP expenditures represent 43% of the EU budget, CAP expenditures as a percentage of the EU budget and national budgets are only 0.6%. By comparison, EU-wide spending on social welfare programs is 37%, and military expenditures are 1.8%. Kordik pointed out that CAP expenditures are falling proportionately. Spending on structural assistance, in contrast, is rising steadily, expected to total 33% of the budget by 2013. Kordik restated the GoA's position that it is necessary to stop the cycle of continual CAP reforms to restore stability to the agricultural sector.

WTO: A Single Undertaking-Agriculture, NAMA, Services  
-----

¶9. On WTO negotiations, Kordik lamented that there had been progress on agricultural issues, especially on export refunds, at Hong Kong, but no progress on NAMA or services. The GoA wanted a successful conclusion of the Doha Round, but Austria supported a "single undertaking," i.e., simultaneous progress in all sectors. According to Kordik, the EU will not put forward a new offer on agricultural market access. Kordik characterized Austria's particular interests in the agricultural negotiations as non-trade concerns (environmental) to retain green box measures. Kordik hoped that WTO Director General Lamy's modality consultations would give new impetus to the negotiations.

MCCAW#